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HIGHLIGHTS:

Red Meat Production
Milk Production
Cattle on Feed
Egg Production
Farm Labor
World Ag Supply & Demand

Montana October 2003 Red Meat Production Down 4 Percent from the Previous Year

Montana slaughter plants produced 1.5 million pounds, dressed weight, of red meat during October 2003, down 4 percent from last year, but rose 19 percent from the previous month's production. Cattle slaughter totaled 1,900 head, unchanged from a year ago. The average live weight increased 4 pounds to 1,139 from the previous year.

During October there were 1,300 hogs slaughtered, the same as a year ago. The average live weight, at 249 pounds, rose 7 pounds from last year. October sheep slaughter in the state totaled 500 head, the same number as October 2002. The average live weight decreased 3 pounds to 122 pounds.

Commercial red meat production for the United States totaled 4.15 billion pounds in October, down 5 percent from the 4.38 billion pounds produced in October 2002. Beef production, at 2.21 billion pounds, was 12 percent below the previous year. Cattle slaughter totaled 3.00 million head, down 8 percent from October 2002. The average live weight was down 39 pounds from the previous year, at 1,231 pounds. Veal production totaled 16.4 million pounds, 13 percent below October a year ago and a record monthly low. Calf slaughter totaled 87,500 head, down 13 percent from October 2002. The average live weight was unchanged last year, at 308 pounds.

U.S. pork production totaled 1.91 billion pounds, a record monthly high and up 4

percent from the previous year. Hog kill totaled 9.64 million head, 3 percent above October 2002. The average live weight was 3 pounds above the previous year, at 267 pounds. Lamb and mutton production, at 18.0 million pounds, was down 9 percent from October 2002. Sheep slaughter totaled 265,500 head, 12 percent below last year. The average live weight was 135 pounds, up 3 pounds from October a year ago.

January to October 2003 commercial red meat production was 39.1 billion pounds, down 1 percent from 2002. Accumulated beef production was down 1 percent from last year, veal was down 2 percent, pork was up 1 percent from last year, and lamb and mutton production was down 9 percent.

October Milk Production Down 0.2 Percent

Milk production in the 20 major States during October totaled 12.0 billion pounds, down 0.2 percent from October 2002. September revised production, at 11.6 billion pounds, was down 5 million pounds from September 2002. The September revision represented an increase of 2 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,550 pounds for October, 11 pounds above October 2002.

The number of milk cows on farms in the 20 major States was 7.72 million head, 70,000 head less than October 2002, and 25,000 head less than September 2003.

U.S. Cattle on Feed Up 3 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.0 million head on November 1, 2003. The inventory was 3 percent above November 1, 2002 but 7 percent below

November 1, 2001.

Placements in feedlots during October totaled 2.78 million, 16 percent above 2002 and 3 percent above 2001. Net placements were 2.68 million. During October, placements of cattle and calves weighing less than 600 pounds were 1.02 million, 600-699 pounds were 796,000, 700-799 pounds were 508,000, and 800 pounds and greater were 454,000.

Marketings of fed cattle during October totaled 1.86 million, 6 percent below 2002 and 2 percent below 2001. Other disappearance totaled 101,000 during October, 20 percent above 2002 and 49 percent above 2001.

October Egg Production Down Slightly

U.S. egg production totaled 7.39 billion during October 2003, down slightly from last year. Production included 6.34 billion table eggs and 1.06 billion hatching eggs, of which 1.00 billion were broiler-type and 57.0 million were egg-type. The total number of layers during October 2003 averaged 333 million, down 1 percent from a year earlier. October egg production per 100 layers was 2,218 eggs, up one percent from October 2002.

All layers in the U.S. on November 1, 2003, totaled 335 million, down 1 percent from a year ago. The 335 million layers consisted of 277 million layers producing table or commercial type eggs, 54.7 million layers producing broiler-type hatching eggs, and 2.48 million layers producing egg-type hatching eggs. Rate of lay per day on November 1, 2003, averaged 71.9 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.90 billion eggs during October 2003, down 1 percent from a year ago. The average number of layers during October, at 311 million, was down 2 percent from a year ago.

Hired Workers Down 1 Percent, Wage Rates Up 1 Percent From a Year Ago

There were 1,197,000 hired workers on the Nation's farms and ranches during the week of October 12-18, 2003, down 1 percent from a year ago. Of these hired workers, 891,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 306,000 workers.

Farm operators paid their hired workers an average wage of \$9.05 per hour during the October 2003 reference week, up 10 cents from a year earlier. Field workers received an average of \$8.42 per hour, up 8 cents from last October, while livestock workers earned \$8.64 per hour compared

with \$8.42 a year earlier. The field and livestock worker combined wage rate, at \$8.47 per hour, was up 11 cents from last year. The number of hours worked averaged 40.2 hours for hired workers during the survey week, down fractionally from a year ago.

Hired farm worker wage rates were generally above a year ago in most regions. The largest increases occurred in Florida, the Northeast I, Appalachian II (Kentucky, Tennessee and West Virginia), Corn Belt II (Iowa and Missouri), Corn Belt I (Illinois, Indiana and Ohio) and Southern Plains (Oklahoma and Texas) regions. The higher wages in Florida, the Corn Belt I and Northeast I regions were mainly due to a higher percentage of nursery and greenhouse workers in the

work force. Wages in the Appalachian II region were higher due to a larger proportion of equine workers in the work force. Corn Belt II wages were higher due to a greater percentage of full-time salaried workers in the work force. Wages in the Southern Plains region were up because of a larger concentration of higher paid feedlot workers.

The 2003 U.S. hired worker annual average wage rate was \$9.08, up 3 percent from the 2002 annual average wage rate of \$8.81. The U.S. field worker annual average wage rate was \$8.31, up 19 cents from last year's annual average. The field and livestock worker combined annual average wage rate at the U.S. level was \$8.42, up 3 percent from last year's annual average wage rate of \$8.18.

Hired Workers: Annual Average Wage Rates By State, 2002-03 1/ 2/

State	All Hired		Field		Field & Livestock	
	2002	2003	2002	2003	2002	2003
	Dollars per Hour					
CO	8.57	9.13	7.90	8.27	8.07	8.42
ID	8.05	8.04	7.50	7.63	7.87	7.81
MT	7.95	8.37	7.86	8.08	7.56	7.92
ND	9.22	9.49	9.28	9.32	9.16	9.32
OR	9.15	9.39	8.37	8.47	8.48	8.76
SD	8.66	9.23	8.11	8.46	8.22	8.94
UT	9.14	9.25	8.47	7.92	8.42	8.38
WA	9.43	9.14	8.47	8.50	8.90	8.70
WY	7.55	7.11	7.05	6.70	6.96	6.59
US 3/	8.81	9.08	8.12	8.31	8.18	8.42

1/ Excludes Agricultural Service Workers. 2/ Annual rates are averages of the published wage rates for each survey week weighted by the number of hours worked during the week. The annual average for all States, Regions, and the U.S. is based on data collected for January, April, July, and October. 3/ Excludes AK.

World Ag Supply and Demand Estimates

The WASDE report incorporates information from a number of statistical reports published by USDA and other government agencies. In turn, the WASDE report provides a framework for more detailed reports issued by USDA Economic Research Service and Foreign Agricultural Service.

WHEAT: Projected U.S. 2003/04 ending stocks of wheat are 25 million bushels lower than last month due to a 25-million-bushel increase in exports. Exports are up based on stronger-than-expected shipments to date. Projected imports and domestic use are unchanged. The projected price range is

unchanged at \$3.10 to \$3.40 per bushel.

Projected 2003/04 global wheat production and stocks are down from last month. Projected production is down by slightly more than 1 million tons due to decreases in the crops of Argentina, Slovakia, Romania, and Jordan. Projected global imports are up just under 1 million tons from last month due to larger imports by El Salvador, Slovakia, Romania, Tunisia, and the United Arab Emirates. Global ending stocks are down nearly 4 million tons due primarily to lower stocks in India, the United States, Argentina, the EU, and Eastern Europe.

COARSE GRAINS: This month's outlook for 2003/04 U.S. feed grains is for larger production, increased use, and

slightly smaller ending stocks. Forecast 2003 corn production is up 71 million bushels from last month. Projected corn feed and residual use is unchanged from last month. However, corn exports are up 75 million bushels because of decreased competition from Argentina. Projected corn ending stocks are down 4 million bushels from last month. The projected price range for corn is unchanged at \$1.90 to \$2.30 per bushel.

Global 2003/04 coarse grain supply is little changed while projected use is up from last month. Stocks are projected down from last month. Production is projected to be up nearly 1 million tons due mostly to larger crops in the United States, the EU, and the Former Soviet Union. (Continued on next page)

World Ag Supply and Demand Estimates (continued)

However, smaller crops are projected in Argentina and Eastern Europe. Global coarse grain use is projected to increase over 2 million tons this month, due primarily to increased use in China, the EU, Ukraine, and Japan. However, use is projected to drop in Eastern Europe. Global coarse grain imports are projected slightly lower than last month. Imports are projected to decline for Russia, Indonesia, and Saudi Arabia, but increase for Japan and Taiwan. Projected global coarse grain stocks are down 2 million tons from last month. Although stocks are up in the EU and Taiwan, stocks are projected to decline in Argentina, South Korea, and Saudi Arabia.

OILSEEDS: Projected U.S. oilseed ending stocks for 2003/04 are down slightly this month because of lower production and higher export prospects. U.S. oilseed production, at 76.5 million tons, is down 0.2 million tons as lower soybean production more than offsets larger peanut and cottonseed crops. Soybean production is forecast at 2.45 billion bushels, down 16.6 million bushels based on a lower average yield.

Projected U.S. soybean stocks are reduced to 125 million bushels, the lowest level since 1976/77. Soybean exports are projected at 890 million bushels, up 20 million bushels from last month due to strong early-season shipments, especially to China. Soybean crush is reduced 25 million bushels this month. Soybean meal exports are lowered 0.5 million tons to 4.5 million short tons based in part on increased meal exports from South America and India. Soybean oil ending stocks for 2002/03 are projected at 1.2 billion pounds, down slightly from last month, and the lowest since 1994/95.

The U.S. season-average soybean price range for 2003/04 is projected at \$6.65 to \$7.55 per bushel compared with \$6.05 to \$6.95 last month. Soybean oil prices, at 24.5 to 27.5 cents per pound, are up 1 cent on both ends of the range. Soybean meal prices are projected at \$210 to \$240 per short ton, up 25 dollars on both ends of the range.

Global oilseed production for 2003/04 is projected at 347.5 million tons, up 0.8

million tons from last month. Foreign production is forecast at 271.0 million tons, up 0.9 million tons as increases for soybeans, peanuts, and rapeseed more than offset reductions for sunflowerseed and cottonseed. Argentina soybean production is forecast at a record 38.0 million tons, up 1.0 million tons based on increased area. Higher soybean prices and delayed corn and sunflowerseed planting due to excessively dry conditions are expected to cause some producers to shift to soybeans, which can be planted later in the season. India soybean production is increased to a record 6.2 million tons. Rapeseed and peanut production for India are also increased this month as crops recover from last year's drought. Other changes include reduced sunflowerseed production for Ukraine and for Argentina, and sharply lower cottonseed production for China.

Global oilseed trade for 2003/04 is increased this month, mainly reflecting increased soybean imports for China, which are projected at a record 22 million tons. Argentina's soybean exports are increased 1.1 million tons to 12.7 million tons based on larger expected supplies.

SUGAR: Projected U.S. sugar supply for fiscal year 2003/04 is decreased 403,000 short tons, raw value, from last month, mainly based on lower reported processor-owned stocks carried over from 2002/03. However, production is increased 48,000 tons based on processors' production projections compiled by the Farm Service Agency (FSA). Domestic food and beverage use is lowered 250,000 tons to reflect the allocated portion of the Overall Allotment Quantity and net imports. Exports are unchanged. The total stocks-to-use ratio is 19.8 percent, compared with 20.8 percent last month.

For 2002/03, changes are due to availability of processors' final October-September data compiled by FSA for publication in Sweetener Market Data and revised 2001/02 ending stocks. Total supply is increased 116,000 tons, as higher beginning stocks are partially offset by lower-than-expected production. On the use side, reported total deliveries for domestic food and beverage use are 271,000 tons higher than expected last month. Miscellaneous uses of 91,000 tons include residual statistical discrepancies given final stocks data. Year-ending stocks are 1.305 million tons, down

451,000 tons from last month's estimate. The total stocks-to-use ratio is 12.8 percent, compared with 18.2 percent last month.

LIVESTOCK, POULTRY, AND DAIRY: Projected total meat production for both 2003 and 2004 is raised from last month. Beef production in 2003 is forecast to increase as high prices continue to cause producers to aggressively market cattle. Although cattle slaughter is increased, Choice beef supplies in the fourth quarter remain tight as average carcass weights fall well below a year earlier. Beef production for 2004 is slightly higher than last month as large second-half 2003 placements are slaughtered in 2004. Pork production is increased for 2003 as hog slaughter in the fourth-quarter will be stronger than previously expected. Projected pork production for 2004 is lowered from last month as feed costs are expected to be higher. Broiler production is raised for both 2003 and 2004. Demand for broiler meat is expected to be higher, supporting increased production forecasts.

Tight supplies of Choice cattle continue to drive prices upward. The fourth-quarter Choice steer price is now forecast at \$100-\$102 per cwt, raising the 2003 annual average price to \$85 per cwt. Steer prices in 2004 are raised to reflect continued tight cattle markets. Hog price forecasts are reduced in 2003 because of increased pork production, but are unchanged in 2004. Broiler price forecasts for 2004 are increased from last month as high beef prices are expected to boost demand for broiler meat next year. Turkey prices are forecast slightly higher for 2003 as high turkey stocks were worked down during the third quarter. Egg price forecasts are increased for 2003 and 2004 because of further reductions in forecast egg production.

Dairy production and use forecasts for 2003/04 are reduced from last month as milk per cow increases more slowly than previously expected. In the face of lower milk production, fat-basis commercial use and stocks forecasts are lowered from last month. CCC fat-basis net removals are lowered and both Class III and Class IV price forecasts are raised. The all milk price is forecast to be \$12.15 to \$12.85 in 2003/04. (See table on back page)

Wheat: Supply, Disappearance, and Price, United States, 1988-2003

Year Begin- ning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Begin- ning Stocks	Prod- uction	Imports 1/	Total	Domestic Use				Exports 1/	Total Disap- pearance		
					Food	Seed	Feed 2/	Total				
---Million Bushels---												
1988 ...	1,261	1,812	23	3,096	715	103	157	975	1,419	2,394	702	\$ 3.72
1989 ...	702	2,037	23	2,765	749	104	139	992	1,233	2,225	536	3.72
1990 ...	536	2,730	36	3,302	790	93	482	1,365	1,068	2,434	868	2.61
1991 ...	868	1,980	41	2,888	789	94	244	1,127	1,280	2,412	475	3.00
1992 ...	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24
1993 ...	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994 ...	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995 ...	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996 ...	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997 ...	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998 ...	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999 ...	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000 ...	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001 ...	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002 ...	777	1,619	77	2,473	918	84	126	1,128	854	1,982	491	3.56
2003.. 3/	491	2,337	75	2,903	910	85	225	1,220	1,075	2,295	608	3.10-3.40

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary. SOURCE: World Agricultural Supply and Demand Estimates, November, 2003--ERS. Totals may not add due to independent rounding.

COMING IN NEXT REPORTER

Christmas letter	U.S. Meat Supply & Use - ERS
Hogs & Pigs	Ag Prices Received
Livestock & Meat Imports and Exports - ERS	Dry Bean Production

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